



RICK SNYDER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
MICHIGAN ADMINISTRATIVE HEARING SYSTEM  
Christopher Seppanen  
Executive Director

MIKE ZIMMER  
DIRECTOR

[REDACTED]

Date Mailed: March 21, 2016  
MAHS Docket No.: 16-000541  
Agency No.: [REDACTED]  
Petitioner: [REDACTED]

**ADMINISTRATIVE LAW JUDGE: Kevin Scully**

**HEARING DECISION**

Following Petitioner's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. On February 19, 2016, the Petitioner's request to appear at the hearing by telephone was granted. On February 24, 2016, an adjournment was ordered by the Michigan Administrative Hearing System due to severe weather conditions. Just prior to the hearing, the Petitioner requested an adjournment, which was denied for lack of good cause. After due notice, telephone hearing was held on March 16, 2016, from Lansing, Michigan. Participants on behalf of Petitioner included [REDACTED]. [REDACTED] (Eligibility Specialist) represented the Department of Health and Human Services (Department). Witnesses on behalf of the Department included [REDACTED] (Assistance Payments Supervisor).

**ISSUE**

Did the Department of Health and Human Services (Department) properly close the Petitioner's Medical Assistance (MA) and Food Assistance Program (FAP) benefits?

**FINDINGS OF FACT**

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. The Petitioner was an ongoing Medical Assistance (MA) and Food Assistance Program (FAP) recipient.
2. On November 9, 2015, the Department sent the Petitioner a New Hire Client Notice (DHS-4635).

3. On January 4, 2016, the Department sent the Petitioner a Verification Checklist (DHS-3503) requesting verification of income for the previous 30 days.
4. On December 14, 2015, the Department notified the Petitioner that it would close his Food Assistance Program (FAP) benefits as of January 1, 2016.
5. On December 15, 2015, the Department notified the Petitioner that it would close his Medical Assistance (MA) benefits as of January 1, 2016.
6. On January 15, 2016, the Department received the Petitioner's request for a hearing protesting the closure of Medical Assistance (MA) and Food Assistance Program (FAP) benefits.

### **CONCLUSIONS OF LAW**

Department policies are contained in the Department of Health and Human Services Bridges Administrative Manual (BAM), Department of Health and Human Services Bridges Eligibility Manual (BEM), Department of Health and Human Services Reference Tables Manual (RFT), and Department of Health and Human Services Emergency Relief Manual (ERM).

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act, 42 USC 1396-1396w-5; 42 USC 1315; the Affordable Care Act of 2010, the collective term for the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152; and 42 CFR 430.10-.25. The Department (formerly known as the Department of Human Services) administers the MA program pursuant to 42 CFR 435, MCL 400.10, and MCL 400.105-.112k.

The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 2036a and is implemented by the federal regulations contained in 7 CFR 273. The Department (formerly known as the Department of Human Services) administers FAP pursuant to MCL 400.10, the Social Welfare Act, MCL 400.1-.119b, and Mich Admin Code, R 400.3001-.3011.

Clients must cooperate with the local office in determining initial and ongoing eligibility and this includes the completion of necessary forms. Department of Human Services Bridges Assistance Manual (BAM) 105 (July 1, 2015), p 8.

Verification means documentation or other evidence to establish the accuracy of the client's verbal or written statements. Verification is usually required at application/redetermination and for a reported change affecting eligibility or benefit level when it is required by policy, required as a local office option, or information regarding an eligibility factor is unclear, inconsistent, incomplete, or contradictory. The Department uses documents, collateral contacts, or home calls to verify information. A collateral contact is a direct contact with a person, organization, or agency to verify

information from the client. When documentation is not available, or clarification is needed, collateral contact may be necessary. Department of Human Services Bridges Assistance Manual (BAM) 130 (July 1, 2015), pp 1-9.

The Petitioner was an ongoing Medical Assistance (MA) and Food Assistance Program (FAP) recipient when the Department discovered that a member of the Petitioner's benefit group had started new employment. On November 9, 2015, the Department sent the Petitioner a New Hire Client Notice (DHS-4635). This form was returned by the Petitioner in a timely manner with expected income disclosed but no verification of actual income received. On January 4, 2016, the Department sent the Petitioner a Verification Checklist (DHS-3503) requesting verification of actual income received during the previous 30 days. When the Department did not received verification of income, it closed the Petitioner's MA and FAP benefits.

The Department's representative testified that the New Hire Client Notice was received by the Department in a timely manner but it was not properly processed upon its receipt. The Department's representative testified that benefits were not closed based on its handling of the new hire notice. Benefits were closed based on a failure to provide verification of income received.

The Petitioner argued that he was told by his caseworker that there would be no need to provide any additional verification of employment or income. The Petitioner does not dispute receiving the Verification Checklist (DHS-3503) form, but did not return it based on his belief that it was unnecessary.

However, there was no justification for the Petitioner to refuse to return the Verification Checklist (DHS-3503) and supporting verification documents. The Petitioner does not dispute that a member of his benefit group started new employment and there is no evidence that verification of income received was ever provided to the Department.

The Department will send a negative action when:

- The client indicates refusal to provide a verification, or
- The time period given has elapsed and the client has not made a reasonable effort to provide it. Department of Human Services Bridges Administrative Manual (BAM) 130 (July 1, 2015).


This Administrative Law Judge finds that the Petitioner had a duty to provide the Department with verification of all countable income received by members of his benefit group and that the Petitioner refused to provide this verification material.

The Administrative Law Judge, based on the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, finds that the Department acted in accordance with Department policy when it closed the Petitioner Medical Assistance (MA) and Food Assistance Program (FAP) benefits.

**DECISION AND ORDER**

Accordingly, the Department's decision is **AFFIRMED**.

KS/las

  
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**Kevin Scully**  
Administrative Law Judge  
for Nick Lyon, Director  
Department of Health and Human Services

**NOTICE OF APPEAL:** A party may appeal this Order in circuit court within 30 days of the receipt date. A copy of the circuit court appeal must be filed with the Michigan Administrative Hearing System (MAHS).

A party may request a rehearing or reconsideration of this Order if the request is received by MAHS within 30 days of the date the Order was issued. The party requesting a rehearing or reconsideration must provide the specific reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration.

A written request may be mailed or faxed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088; Attention: MAHS Rehearing/Reconsideration Request.

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings  
Reconsideration/Rehearing Request  
P.O. Box 30639  
Lansing, Michigan 48909-8139

**DHHS**

[REDACTED]

[REDACTED]

**Petitioner**

[REDACTED]